

State of California
Business, Transportation and Housing Agency
Department of Transportation

HIGHWAY FINANCIAL MATTERS
Allocation for Local Assistance Program
Resolution: FM-01-04

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Agenda Item: 2.5j

Original Signed By
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Chief Financial Officer
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**EXCHANGE OF CAPITAL OUTLAY STATE HIGHWAY OPERATION AND PROTECTION
PLAN (SHOPP) STATE FUNDS FOR LOCAL ASSISTANCE FEDERAL TRUST FUND
DOLLARS FOR PROJECTS PROGRAMMED IN THE SAFE ROUTES TO
SCHOOLPROGRAM**

RESOLUTION FM-01-04

ISSUE

Funding for the Safe Routes to School (SR2S) program is contained within the federal fund portion of the Local Assistance Lump Sum Allocation. Legislation has been passed that allows the SR2S program to use State funds. A technical adjustment to the Hazard Elimination and Safety and Railroad Grade Crossing Protection categories within the Local Assistance Lump Sum Allocation will be processed to accommodate this exchange.

BACKGROUND

SB 10 (Soto) was signed by the Governor in October 2001. This bill extended the Safe Routes to School (SR2S) program for three additional years. The program will remain in effect until January 1, 2005. In addition, SB 10 allows the Department to "substitute State Highway Account funds in accordance with the Department's policy for state funding in place at the time of the project fund allocation..." for SR2S projects. The programmed level for Cycle 2 SR2S, Fiscal Year 2002, is \$24.33 million. Director Morales has approved the substitution of state funds for federal funds for these Cycle 2 projects. The total amount of federal funds to be substituted for state funds is \$20.665 million. This is due to projects being funded with federal funds prior the Director's approval.

The State Highway Operation and Protection Plan (SHOPP) includes projects that are funded with a mixture of State and federal funds. Currently, the SHOPP includes approximately \$100 million of projects that are eligible for federal safety funds. However, only \$45 million of federal safety funds are available. By exchanging federal SR2S funds for state funds for these SHOPP projects, the approved substitution can take place and will be revenue neutral. In addition, the SHOPP projects must currently be developed using federal funding guidelines. The exchange will not impact the use of those guidelines.

Funding for the SR2S program is currently included as part of the Lump Sum Allocation request for Local Assistance within the Hazard Elimination and Safety (HES) and RR Grade Crossing Protection federal fund categories. The exchange of the federal funds for State funds will be shown as a decrease in the amount of federal funds for these categories, with a corresponding increase in the State funds. It will be a revenue neutral exchange.

It is the California Transportation Commission's (Commission) policy that projects costing less than \$750,000 should be funded with State funds, subject to the availability of those funds (Resolution G-01-26). All projects funded under the SR2S program are less than \$750,000. The SR2S projects range from \$25,000 to \$450,000.

RECOMMENDATION

It is recommended that Cycle 2 of the SR2S program be funded with state funds, and accomplished by the above process. This substitution of State funds for federal funds will allow the Department to be more responsive in the delivery of SR2S projects

FINANCIAL RESOLUTION

Resolved That:

Pursuant to Provision 3, Item 2660-101-0890(1), of the 2001 Budget Act, \$20,665 million be transferred from Local Assistance Appropriation, Item 2660-101-0890 to the Capital Outlay Appropriation, Item 2660-301-0890(1); and

Pursuant to Provision 2, Item 2660-301-0042(a), of the 2001 Budget Act, \$20,665 million be transferred from 2660-301-0042(a) to the Local Assistance 2660-101-0042(1).

Resolved, that the allocation for Local Assistance be reduced from \$18 million to \$8,304 million, for 2660-101-0890 Hazard Elimination & Safety (HES) funds, and

Resolved, that the allocation for Local Assistance be reduced from \$20.363 million to \$9,394 million, for 2660-101-0890 RR Grade Crossing Protection, and

Resolved that a category for 2660-101-0042 for Safe Routes to School (SR2S) funds is added to the Lump Sum Subvention for \$20,665 million.

Resolved, that SHOPP projects eligible for federal safety funds, that would otherwise be State funded will be funded with the exchanged federal safety dollars.

SUMMARY AND CONCLUSIONS

This allocation provides the authority to subvent funds, up to the amounts listed by category on Page 2 of this Resolution, for individual projects prepared by local agencies.

Attachment

ALLOCATION OF FUNDS FOR LOCAL ASSISTANCE 2001-2002 FISCAL YEAR

	<u>State</u>	<u>Federal</u>	<u>Revised State</u>	<u>Revised Federal</u>
<u>2660-101-0042(1)</u>				
State Match and Exchange	\$46,000		\$ 46,000	
Seismic Bridge Retrofit State Match	15,000		15,000	
Bridge Inspection & Scour				
Evaluation State Match	900		900	
Railroad Grade Separation	7,500		7,500	
RR Grade Crossing Maintenance	4,250		4,250	
Misc. Unassigned Local Programs	2,100		2,100	
TEA Exchange	3,000		3,000	
STIP Freeway Service Patrol	21,249		21,249	
Safe Routes to School	0		20,665	
Subtotal \$	99,999		120,664	
<u>2660-105-0046</u>				
Bay Area Ferry Operations Program	\$ 2,793		\$ 2,793	
<u>2660-101-0890</u>				
Surface Transportation (STP)	\$ 331,100		\$331,100	
Congestion Mitigation and Air Quality (CMAQ)	350,235		350,235	
Seismic Bridge Retrofit	54,300		54,300	
Bridge Rehabilitation and Replacement	98,645		98,645	
Bridge Scour	3,300		3,300	
RR Grade Crossing Protection	20,363		9,394	
Hazard Elimination & Safety (HES)	18,000		8,304	
Demonstration Projects	0		0	
Misc. Unassigned Local Programs	1,100		1,100	
TEA, Regional Share	39,760		39,760	
Subtotal	\$ 916,803		\$ 896,138	
Total Local Programs	\$ 102,792	\$ 916,803	\$123,457	\$ 896,138